

## BILL ANALYSIS

Senate Research Center  
88R19164 DRS-D

H.B. 614  
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Local Government  
5/20/2023  
Engrossed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas property owners' associations are able to levy disproportionately high fines against property owners for minimal violations. Since current law is ambiguous with respect to the authority of a property owners' association to levy fines, there have been calls for increased clarity regarding the legal standards by which those fines are measured. H.B. 614 seeks to address this issue by requiring a property owners' association to establish a transparent policy regarding fines and related violations.

H.B. 614 amends current law relating to property owners' association fines.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 209, Property Code, by adding Section 209.0061, as follows:

Sec. 209.0061. ASSOCIATION POLICY; FINES. (a) Provides that this section does not apply to a property owners' association that is not authorized by the association's dedicatory instrument to levy a fine.

(b) Requires a property owners' association board (board) to adopt an enforcement policy regarding the levying of fines by the property owners' association. Requires that the policy include:

(1) general categories of restrictive covenants for which the association is authorized to assess fines;

(2) a schedule of fines for each category of violation; and

(3) information regarding hearings described by Section 209.007 (Hearing Before Board; Alternative Dispute Resolution).

(c) Authorizes the enforcement policy adopted pursuant to Subsection (b) to reserve the board's authority to levy a fine from the schedule of fines that varies on a case-by-case basis.

(d) Requires each property owners' association to:

(1) provide a copy of the policy to an owner of each property in the subdivision by:

(A) posting the policy on an Internet website maintained by the property owners' association or an agent acting on behalf of the association and accessible to members of the association; or

(B) annually sending a copy of the policy, separately or included in routine communication from the property owners' association to property owners, by:

(i) hand delivery to the owner;

(ii) first class mail to the owner's last known mailing address; or

(iii) e-mail to an e-mail address provided to the property owners' association by the owner; and

(2) make the policy available on any publicly accessible Internet website maintained by the property owners' association or an agent acting on behalf of the association.

SECTION 2. Makes application of Section 209.0061, Property Code, as added by this Act, prospective.

SECTION 3. Effective date: January 1, 2024.